Cincinnati Bell Telephone®

201 E. Fourth St.
P.O. Box 2301
Cincinnati, Ohio 45201-2301

April 8, 1996

APR 8 1996

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D. C. 20554

In the Matter of:

	)	
Revision of Filing Requirements	)	CC Docket No. 96-23
	)	

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Enclosed are an original and eleven copies of the Comments of Cincinnati Bell Telephone in the above referenced proceeding. A duplicate original copy of this letter and attached Comments is also provided. Please date stamp this as acknowledgment of its receipt and return it. Questions regarding these Comments may be directed to Ms. Amy Collins at the above address or by telephone on (513) 397-1333.

Sincerely,

David L. Meier
Director - Legislative &
Regulatory Planning

cc: International Transcription Services

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Revision of	)	CC Docket No. 96-23
Filing Requirements	)	
	)	

COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY

I. Background.

On February 27, 1996, the Commission released a Notice of Proposed Rulemaking in this docket.[1] As part of the President's Regulatory Reform Initiative,[2] the Commission proposes to eliminate thirteen filing requirements and reduce the frequency of six other reporting requirements. (NPRM at para. 2.) Cincinnati Bell Telephone Company ("CBT"), an independent, mid-size local exchange carrier ("LEC") hereinafter offers its comments regarding the issues raised in the NPRM.

CBT supports the Commission's efforts to reduce reporting requirements for LECs. Eliminating unnecessary reports, and reducing the frequency of other reports, will reduce the administrative burdens imposed on the LECs. CBT urges the Commission to further reduce the regulatory burdens on LECs by increasing the revenue threshold for filing Cost Allocation

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[1] Revision of Filing Requirements, Notice of Proposed Rulemaking, CC Docket No. 96-23, FCC 96-64, released February 27, 1996 ("NPRM").

[2] Executive Office of the President, Office of Management and Budget, Memorandum for Heads of Executive Departments and Establishments, October 18, 1993.

Manuals ("CAMs") and other reports and by changing the Part 32 "materiality" rules to conform to generally accepted accounting principles ("GAAP").

II. Threshold Limits for Filing CAMs and Other Reports.

The Commission's regulations demonstrate an intention that only the largest LECs be required to file CAMs. Currently, LECs with annual operating revenues of $100 million or more are required to file CAMs. In the current environment, CBT submits that the threshold should be increased to $1 billion. Increasing the threshold for filing CAMs will reduce the regulatory burdens on smaller LECs without compromising the Commission's ability to obtain necessary information. The largest LECs, the BOCs and GTE, would continue to file CAMs under the new standard. Because the BOCs and GTE have over 87% of the access lines in the United States[3], the quality of the Commission's information will not be reduced by increasing the threshold.

CBT supports the Commission's proposal to reduce the frequency of filing Form 492 from a quarterly basis to an annual basis. (NPRM at para. 16.) To further reduce the burdens on smaller LECs, a threshold requirement of $1 billion or more in annual operating revenues should be applied to Form 492. In addition, in light of the Telecommunications Act of 1996 and the emergence of a competitive telecommunications marketplace, the Commission should examine whether any form of rate of return regulation is appropriate on a going-forward basis.[4] A $1 billion threshold also should be applied with respect to ARMIS reports, Form 495A, Form

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[3]United States Telephone Association, Phone Facts 1995.

[4]Improving Commission Processes, CC Docket No. 96-17, CBT Comments, filed March 18, 1996, at page 2; Commission's Preliminary Rate of Return Inquiry, File Nos. AAD 95-172 and AAD 96-28, CBT Comments, filed March 11, 1996, at page 2.

495B, and the TRS Fund Contribution. Again, applying a higher threshold to these reports would not reduce the quality of the information furnished to the Commission; however, the reporting burden on smaller LECs would be greatly reduced.

III. Part 32 Materiality Rules.

The materiality rules contained in Part 32 of the Commission's Rules are burdensome and confusing.[5] CBT, and other LECs, are currently required to revise their reports on an on-going basis to reflect immaterial changes. CBT urges the Commission to adopt the GAAP rules for determining materiality. By adopting the GAAP rules, a widely-accepted standard will be established, thus reducing some of the confusing and burdensome aspects of the Part 32 rules.

IV. Cost Allocation Manuals/ARMIS Reports.

On March 20, 1996, the Bureau released an Order reducing the filing frequency for ARMIS quality of service reports from quarterly to annually, consistent with revisions to ARMIS reporting requirements prescribed by Section 402(b)(2)(B) of the Telecommunications Act of 1996.[6] CBT urges the Commission to extend the same treatment to CAMs and other ARMIS reports, as permitted by the Telecommunications Act of 1996. Section 402(b)(2)(B) of the Telecommunications Act of 1996 specifically provides that "The Commission shall permit any common carrier to file cost allocation manuals and ARMIS reports annually." Section

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[5]See also Improving Commission Policies and Procedures, PP Docket No. 96-17, Comments of SBC, filed March 15, 1996, at page 10.

[6]Revision of Filing Requirements and Implementation of Section 402(b)(2)(B) of the Telecommunications Act of 1996: Annual ARMIS Reports, Order, CC Docket No. 96-23, DA 96-381, released March 20, 1996.

402(b)(2)(B) is not limited to the quality of service report, and CBT urges the Commission to require the filing of CAMs and all ARMIS reports on an annual basis only.[7]

V. Forms 495A (Forecast of Investment Usage) and Form 495B (Actual Usage of Investment).

CBT submits that Form 495A and Form 495B should be eliminated. CBT supports SBC's position that these reports are redundant because the allocation is used and reviewed during the CAM review process.[8] In addition, as evidenced by CBT's recent Forms 495A and 495B, CBT has no shared network investment. CBT submits that it is unnecessarily burdensome to file these reports given this situation.

VI. ARMIS Reports 43-05, 43-06, and 43-07.

ARMIS Reports 43-05, 43-06, and 43-07 should be eliminated. These reports serve no useful purpose in today's competitive environment. All carriers must maintain high quality of service to compete in today's marketplace. Market forces will eliminate those carriers that do not maintain high quality of service. Accordingly, ARMIS Reports 43-05, 43-06, and 43-07 can and should be eliminated.

VII. Conclusion.

CBT supports the Commission's efforts to reduce or eliminate reporting requirements. However, the Commission should take its efforts one step further and reduce the burdens on

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[7]As discussed herein, CBT also urges the Commission to eliminate ARMIS reports 43-05, 43-06, and 43-07, and to increase the filing threshold to $1 billion in annual revenues.

[8]Improving Commission Policies and Procedures, PP Docket No. 96-17, Comments of SBC, filed March 15, 1996, at page 14.

smaller LECs by adopting a $1 billion threshold requirement for regulatory reporting. The Commission also should adopt the GAAP standards for determining materiality under Part 32.

Respectfully submitted,

FROST & JACOBS

By: ______________________

Thomas E. Taylor
David S. Bence

2500 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45201-5715
(513) 651-6800

Attorneys for Cincinnati Bell
Telephone Company

Dated: April 8, 1996

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